

WASHINGTON STATE GAMBLING COMMISSION

FUND RAISING EVENT LICENSEE TRAINING



GC4-211 (07/2001)(Reviewed for 07/2004)

I. PRE-PLANNING

Types of Licenses Available Per Calendar Year

Your organization will need to make three decisions when planning to conduct a fund-raising event (FRE). These are:

1. Whether you wish to use your own members to operate the gaming stations and allow participants to collect their winnings in cash (standard FRE) or whether you will utilize staff from an equipment provider to operate the gaming stations and award merchandise prizes to the participants (limited FRE);
2. How long you want the event to last (24 hours or up to 72 hours); and,
3. Whether you will be joining with other nonprofit organization(s) to conduct this event as a joint FRE.

Question #1. Standard vs. Limited FRE

Before deciding the answer to the first question, review the chart on the last page of this handout to determine the differences between a standard and limited FRE, as well as reviewing WAC 230-25-330 on the next page describing a Recreational Gaming Event(RGA)that does not involve fund raising or wagering.

If you intend to conduct an RGA, you do not need an FRE license, but MAY need to obtain an RGA permit. Check with your local special agent or the Licensing Services staff to determine the proper way to proceed for an RGA.

Question #2. Time Limitations

Per RCW 9.46.0233, you may conduct either one event in a calendar year that does not exceed a total of seventy-two consecutive hours, or two events, each event not exceeding twenty-four consecutive hours.

Question #3. Joint Event

WAC 230-25-065 states that two or more organizations may join together to conduct either a 24 or 72 hour event as listed above. The joint event will have a **lead** organization and a secondary organization. The **lead** organization is the one which will receive 50% or more of the allowable proceeds.

The Joint Event will count as one FRE against the **lead** organization's time limitation.

A secondary organization may be involved in any number of joint events in one calendar year, as long as it does not receive 50%

or more of the allowable proceeds of that licensed Fund Raising Event, and does not exceed the total allowable proceeds for an organization for a calendar year.

230-25-330 Recreational Gaming Event * WHEN NO WAGERING IS INVOLVED*****

1. **Unless you intend to use homemade, nonprofessional equipment**, obtain a permit from Gambling Commission or contract with a licensed distributor to organize and conduct the activity.
2. Chips and/or script used must have no value, however a redemption scheme for prizes may be utilized, with prizes donated to or provided by the sponsoring organization.
3. Gambling of any form must be prohibited on the premises.
4. No fee charged to players, provided that the sponsoring organization may charge a reasonable fee for the accompanying meal or entertainment.
5. Must notify local law enforcement in writing 10 days in advance. Event may not exceed 8 hours.

Changes in Date, Time, or Location, or Cancellation

- 230-04-325**
1. If you are going to change the date, time, or location of your Fund Raising Event from what was submitted on your original application, then at least ten (10) days in advance of your new date, time or location, you will have to notify the Commission in writing with the corrected information and a signed statement from your chief executive officer that the appropriate law enforcement agency was notified of the change.
 2. For a cancellation of your event, you will notify the gambling commission and the appropriate law enforcement agency prior to the date the event was to be held.
 3. Enclosed with the notices as described in 1 & 2 above, you will also return the license authorizing your original event.

How Much Revenue Can I Make?

230-25-030(1) The total amount of all gross wagers and bets received, less the amount of money paid for purchase of prizes awarded shall not exceed **\$10,000.00 per nonprofit organization per calendar year.**

Limited FRE calculation: Organizations conducting limited FRE's may also deduct the cost of equipment rental and purchased prizes from the gross receipts when calculating the \$10,000.

Distribution of Excess Funds Received

230-25-030(3) If an organization determines that it has exceeded the \$10,000 limitation, it must distribute these excess net receipts to another charitable or nonprofit organization. This second organization must either be licensed by the commission or meet the criteria set forth in RCW 9.46.0209. The identity of the second organization will be disclosed within the application for an FRE license.

If the maximum limit is achieved, the organization conducting the FRE must pay the secondary organization **by check** within thirty (30) days following the end of the event.

Who Can Work at the Event (Standard FRE)

- 230-25-260
1. Only **Volunteer Members** of a bona fide charitable or non-profit organization may participate in the operation of the event. This includes the auxiliary to the principal organization.
 2. Members of an organization within the jurisdiction of the next higher level (district) of the parent organization. (See Attachment A for example)
 3. Members of chapters or local units of a state organization.
- 230-25-265
4. A full or part-time paid employee whose duties are **unrelated** to the conduct of a fund

raising event. Duties are restricted to services provided to other members in the overall planning and organization of the event and **in no way involved in the actual operating of any gambling station.**

5. Employees who are also members may participate in the operation of the event provided they are not scheduled for duty during the time of the event.
6. An organization may furnish food and non-alcoholic beverages to workers as long as the expense to the organization does not exceed \$20 per volunteer per event.
7. Members must be at least 18 years of age to participate in the operation of the fund raising event.

230-25-320

Who Can Work in the Event (Limited FRE)

230-25-325

1. Only members of the nonprofit organization will be utilized for any transaction involving acceptance of cash for scrip, conducting the schemes to determine the winners of merchandise prizes, and maintaining records during the event.
2. The nonprofit organization may only contract with a person or organization licensed as a FRE equipment distributor to provide the equipment and staff to operate the gaming stations. **Under no circumstances shall employees of the FRE equipment distributor handle cash transactions or allow participants to purchase chips with cash at their tables.**

Notify Local Law Enforcement

230-25-020

At least ten (10) days prior to the scheduled Fund Raising Event, the organization, in writing, shall notify the local law enforcement agency that such an event will be held. The notice will contain the following:

1. Name and address of organization conducting the event.

2. Name and address of member who is managing the event.
3. Date of event.
4. Where event is being conducted.

Expenses

230-04-202(4) License Fees

<u>Class "A"</u>	- (24 hour event)	- \$350.00
<u>Class "B"</u>	- (72 hour event)	- \$589.00
<u>Class "C"</u>	- Secondary organization in a joint event (Not lead organization)	\$171.00
<u>Recreational Gaming Permit</u>	-	\$54.00

230-25-120 Expenditure Limits

The purpose of an FRE is to raise funds for organizational purposes. FRE's should be operated with a profit motive as described in WAC 230-02-503. **The FRE licensee shall make a good faith effort to ensure that the expenses paid for all phases of the FRE, including premises, equipment rental, and prizes do not exceed the total gross receipts received for all phases of the activity.**

- 230-25-120(2) No sale, rental, or lease of gaming equipment, premises or services for use in a licensed FRE shall be transacted except on commercially reasonable terms established in the competitive market. All rentals shall be a lump sum or hourly rate and shall not be based upon a percentage of the income or profit derived from the conduct of the FRE.

The licensee shall fill out a worksheet with the FRE application to assist in making an estimate of profitability.

Leasing a premise from a commercial business - conditions

- 230-25-100
- 1.) The room being used for the Fund Raising Event must be separate and apart from the area being used for retail sales and business; or
 - 2.) The business is closed to the public during

- the hours the event is being conducted.
- 3.) The operator of the Fund Raising Event will have complete control over the portion of the premise being used for the Fund Raising Event.
 - 4.) The owner, manager, or any employee of the retail premise where the Fund Raising Event is being conducted may not be an officer of the organization conducting the event. **NOTE:** For limited FRE's, the equipment distributor may not provide the facility or be otherwise compensated by the facility where the limited FRE is conducted.
 - 5.) The retail premise cannot operate any gambling activity during the Fund Raising Event located in any portion of the premises being used for the Fund Raising Event.

Leasing Equipment

230-25-110

Equipment may be rented from either:

- 1.) A licensed fund raising event equipment provider or pull tab distributor; or
- 2.) Any bona fide charitable or non-profit organization licensed to conduct a fund raising event within the past twelve calendar months. The nonprofit may rent their equipment up to four times a year to other organizations without applying for a fund raising equipment distributor license.

II. OPERATIONS

Inspection of Equipment

230-25-020

Any equipment being used in conjunction with the Fund Raising Event shall be made available for inspection by the local police at least two hours prior to the start of the event.

List of Workers

230-25-310

The operator of a fund raising event shall make available a list of workers who were involved in the operation or management of the fund raising event. The list shall contain the following:

- 1.) Full name.
- 2.) Address.

- 3.) Telephone number.
- 4.) Type of membership.

This list shall become part of the fund raising event records.

Limited FRE's: The equipment provider must supply a list of all staff who worked the event to the nonprofit FRE licensee.

230-25-315

All workers shall wear name tags while involved in the operation of the fund raising event. The name tag will contain at a minimum, the person's full name and the name of the organization. (This may be either the person's full first name and last initial, or first initial and full last name.)

Limited FRE: Employees of the FRE equipment distributor shall wear name tags with the first name of the employee and full name of the FRE equipment distributor.

House Rules

230-25-040

House rules must be conspicuously posted so that the participants know what it will take to participate in that particular gambling activity.

- 1.) Wagering limits (which cannot exceed \$10.00 per element of chance for all games except raffles. Raffle chances may not exceed \$25.) Limited FRE's have no limitations on wagers made with scrip.
- 2.) No tipping of anyone involved in the management or operation of the FRE.

230-25-050

- 3.) No wagering amongst participants.

BlackJack Rules

230-25-235

As stated previously, house rules must be posted for the games being played at your event. These are your rules and however the rules are written, your workers must abide by them. However, in the game of BlackJack, the Commission has established these rules to which the organizations must

conform:

- 1.) Cards used must be standard size.
- 2.) Cards will be dealt from a dealing shoe containing four decks of cards.
- 3.) All cards are dealt to the players face up.
- 4.) Players cannot touch, shuffle or cut the cards.

Posting of Problem Gambling Signs

230-12-90 Licensees are required to post problem gambling informational signs at all entrances and exits to the premises. These signs have been provided in the F.R.E. recordkeeping packet and must be posted prior to beginning the event.

No Alcohol Offered as a Prize

230-12-030 No alcohol may be offered as a prize unless written approval is obtained from the Liquor Control Board.

Use of Chips, Script or Similar Items

230-25-055 Standard FRE: Only chips, scrip or similar items (silver dollars, half-dollars or quarters) can be issued and used for wagering.

Note: No chips, scrip or similar items used at the Fund Raising Event can be redeemed by the operator after the event has been closed.

230-25-325 Limited FRE: Only scrip may be issued and used for wagering at limited FRE's. Participants may purchase their scrip with cash from members of the organization and redeem the scrip for chips at the gaming stations.

Coin Operated Gaming Devices Prohibited

230-25-060 **No** coin-operated pull tab dispensing devices or

any other mechanical gambling or lottery device shall be used at a Fund Raising Event.

Authorized Activities

An organization conducting a Fund Raising Event can conduct as part of their event bingo, raffles, contest of chance and lotteries as defined in R.C.W. 9.46.0233, provided, that the wagers made are against the organization and not amongst the players as stated in W.A.C. 230-25-050.

Bingo and Raffles at Fund Raising Events

230-25-200 Bingo and raffles may be conducted during an FRE. However, limited FRE's may only use scrip to purchase cards and award merchandise prizes.

The licensee must maintain sufficient records to determine gross receipts and prizes paid. If an FRE licensee is also a bingo licensee and uses disposable cards, the inventory control procedures of WAC 230-08-105 shall apply. If the licensee does not have a bingo license, all unused cards or packets must be retained as part of the event record: provided that the licensee may return unused cards or packet to the distributor if there are no breaks in the audit numbers of the unused portion.

The conduct of the raffle(s) and bingo will be held in conjunction with the Fund Raising Event. Revenue received from the activities will apply towards the \$10,000.00 maximum allowable proceeds. No sales for either activity shall take place prior to or after the conclusion of the event.

Raffle Ticket Sales

230-25-230 Each raffle ticket sold during a Fund Raising Event shall be accounted for separately and a record kept as required.

III. RECORD KEEPING - CENTRAL ACCOUNTING SYSTEM

Standard FRE

- 230-25-070(1)
- A. Each licensee for the operation of fund raising events shall establish and maintain a central accounting system in a form prescribed by the Commission.
 - B. Forms to be provided and used by the licensee during the Fund Raising Event are:
 - 1.) Count and fill slips (Attachment B)
 - 2.) Reconciliation Sheet (Attachment C&D)
 - 3.) Game Control Sheet (Attachment E)
 - 4.) Game Revenue Summary (Attachment F)
 - C. There shall be documentation showing beginning bank roll in cash or chips.
 - D. Transfer of money between gambling stations shall be documented by using the count and fill slips and documenting the information onto the game control sheets.
 - E. All game tables and cashier's station (if separate from accounting room) shall be numbered and provided with lock boxes and paddles.
 - F. Lock boxes will be kept locked at all times except when opened and money counted in the accounting room. The keys to the boxes will be kept in the accounting room at all times.
 - G. Access to the count room, bank or cashier's area will be restricted to those persons assigned to those duties.
 - H. The ending cash on hand at the conclusion of the event will be deposited within two banking days and the bank deposit slip will be maintained with the event's records.
 - I. As part of your accounting system there shall be sufficient personnel and physical areas to provide for the following minimum separation of duties.
 - 1.) A banker, cashier or count room. The count room shall be segregated from the

gambling area.

- 2.) Runners to transport chips, money and lock boxes between stations.
- 3.) Pit bosses - one pit boss for every six gambling stations.
- 4.) There shall be three people assigned to the account room with two people in the account room at all times.

230-08-260 J. After the event has been completed you must complete the Fund Raising Event Report form and return it within thirty (30) days following the conclusion of the event.
(Attachments G, H, and I)

Limited FRE

230-25-070(2) **The accounting records listed above as A-I do not apply to limited FRE licensees.**

Licensees conducting a limited FRE shall be required to account for gross receipts, prizes paid, and expenses. In addition, the licensee must provide details regarding other expenses related to conducting the event such as meals, entertainment, etc. The limited FRE licensee will complete an abbreviated form of the FRE Report as set forth in J above.

230-12-020 **Deposit Requirements**

All licensees are required to deposit net gambling receipts into the organization's bank account within two banking days following the event.

If your organization possesses any other licenses issued by the commission, a separate gambling account must be established.

IV. USE OF PULL TABS AT A FUND RAISING EVENT (Standard FRE Only)

- 230-25-160** A. Pull Tab series shall contain the inspection identification stamps and record entry labels and must be purchased separately with a separate invoice.
- B. Pull Tabs can only be sold out of the

original container or a non-coin operated dispensing device (clear container).

- C. Only three series out for play at a time.
- D. Each Pull Tab series will have its own station number, chip tray, lock box and paddle.
- E. Fee to play is what the flare says.
- F. Winning tabs will be paid off in chips or coin.
- G. General Pull Tab rules apply (deleting flare, winner signing tab, and operator initials and date) EXCEPT all winning tabs are defaced and those winners are put into the lock box.
- H. When series are removed from play - everything (including chip tray and lock box) will be removed to the count room and reconciled. (See Attachment J)

NOTE:When a new series is put out for play, a new table number will be assigned to that series.

- I. After a series which has been pulled from play has been reconciled, the series will be stored in the original box it came in and retained for one year.
- J. All series that were purchased and not used at the Fund Raising Event will be returned to the distributor for a full refund.

NOTE:Do not open series until needed. Leave finish wrap in place until it is time to put the series out for play. When the wrap has been removed, many distributors will not take a game back, even if the game was not used during the event.

WAC 230-25-150

Pull tabs may **NOT** be offered for sale at limited FRES

V. HELPFUL SUGGESTIONS IN OPERATING YOUR ORGANIZATION'S FUND RAISING EVENT

1. Have sufficient help to allow proper relief at the gambling stations.
2. Do not allow a worker on a gambling station longer than 45 minutes at a time. Allow for sufficient breaks. (Of course the work schedule will be dictated by the number of volunteers you have.)
3. Do not allow players to handle the chips that are wagered until the wager has been paid.
4. Do not allow players to pick up the dice. You pick up the dice, place them in the cup and give it to the next player to roll.

NOTE: "3" and "4" above should be posted with your house rules.

5. Have your dealers work at a pace they are comfortable with and do not allow the player to dictate to your dealers how to play the game.
6. Be sure your dealers know who your pit bosses are to handle any disputes.
7. Have practice sessions (as many as possible). Practice dealing cards, learn how to count the spots on the cards. It could be your biggest problem with your dealers - they don't know what is in front of them or they listen to the players.
8. Know what the player wagers. If the player wagers a large stack of chips, be sure there is no more than a \$10.00 wager.
9. **Re-emphasize (strongly) to get all your volunteers to your activity. If you end up short handed, you will probably lose money.**